A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Section 235-29, Hawaii Revised Statutes, is amended to read as follows:

"§235-29 Apportionment of business income; percentage.

(a) For taxable years beginning before January 1, 2019, all business income shall be apportioned to this State by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three.

(b) For taxable years beginning after December 31, 2018, all business income shall be apportioned to this State by multiplying the income by the sales factor."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act, upon its approval, shall apply to taxable years beginning after December 31, 2018.
Report Title:
Taxation; Business Income; Apportionment

Description:
Replaces the current 3-factor formula for apportionment of business income with a single sales factor.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.